

**Key determinants of attitudes towards Islamic banks: An exploratory study among
Islamic university students**

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Purpose — *The study seeks to identify the factors that have the greatest impact on attitudes towards Islamic banks, including awareness and knowledge of Islamic banking, adherence to Sharia principles, and collectivist or individualist attributes.*

Method — *This study utilized quantitative methods, and the research instruments were carefully designed to measure the latent variables under investigation. The sample included 100 students from private Islamic universities in Malang City, East Java, Indonesia. Data analysis involved confirmatory factor analysis and multiple regression analysis.*

Result — *This research highlights the crucial role of awareness and knowledge in fostering positive attitudes towards Islamic banks. Interestingly, compliance with Sharia principles was not found to significantly influence attitudes toward Islamic banks.*

Contribution — *This research underscores the pivotal role of awareness and knowledge in fostering positive attitudes toward Islamic banks.*

Keywords: *Islamic banking, attitudes, sharia compliance*

INTRODUCTION

The development of Islamic banking has emerged as a prominent facet of the global economy, sparking noteworthy innovations in the financial sector (Hadi & Muwazir, 2020; Hosen, 2019), even as it remains subject to regulatory and monetary policies. In recent years, Islamic banking has witnessed substantial growth and expansion, both within Islamic and non-Islamic countries, driven by the escalating demand for financial services aligned with Islamic principles, particularly among Muslim populations. Islamic banks, operating in accordance with Islamic economic principles and a steadfast commitment to Sharia compliance in all banking activities, have become an appealing alternative for those seeking to conduct their financial affairs in harmony with their religious values. This phenomenon extends beyond adults and is observable among students in Islamic universities.

Within Indonesia, Islamic universities play a pivotal role in shaping students' perceptions of Islamic banking (Firdiana & Fikriyah, 2021; Iryani & Kristanto, 2022). However, it is crucial to recognize that students' attitudes toward Islamic banks can exhibit substantial variation. The attitudes of students at Islamic universities are highly pertinent, as they represent the younger generation, poised to become future leaders with the potential to influence the trajectory of the financial system's development. Whether their attitudes lean toward support or skepticism regarding Islamic banks can exert a substantial impact on the growth and advancement of Islamic banks in Indonesia, aligning with previous researchers' insights on the pivotal role of attitudes in fostering interest in the adoption of Islamic Banking (Bananuka et al., 2020). Some students may embrace a positive attitude, perceiving Islamic banking as a tangible embodiment of the practice of religious values in daily life. Conversely, others may hold negative or neutral attitudes, potentially stemming from limited exposure or understanding of Islamic banking principles.



Students' attitudes toward Islamic banks can be influenced by various factors, including their understanding of Sharia principles, their firsthand experience with Islamic banking, their perceptions of associated benefits and risks, and the sway of social and cultural factors on their perspectives. Students at Islamic universities often develop a favorable outlook on Islamic banks due to the alignment of Islamic principles with their banking activities (Nugraheni & Widayani, 2021). Moreover, the Islamic higher education curriculum and the educational institutions' role in promoting comprehension of Islamic banking can shape these attitudes.

Understanding these factors that mold individuals' attitudes toward Islamic banks holds paramount importance for both academic research and the banking industry. A fundamental driver of these attitudes lies in individuals' religious and ethical beliefs, with religious values playing a central role in shaping their perceptions of Islamic banks (Janah et al., 2020; Junaidi et al., 2023). Islamic banking, rooted in Sharia principles that prohibit interest (riba) and advocate profit-sharing and risk-sharing, garners more favor from individuals who prioritize adherence to these principles, particularly within the Muslim community (Kaakeh et al., 2019; Mansour, 2019). Students attending Islamic universities often exhibit stronger religious convictions, leading to more positive views of Islamic banks as institutions in harmony with their faith, thereby fostering trust and a sense of moral responsibility in financial transactions (Janah et al., 2020; Mamuaya, 2018; Muslichah & Sanusi, 2019).

Furthermore, a deeper understanding of the concept of Islamic finance plays a crucial role in shaping positive attitudes and interest in Islamic banking (Az-Zahra et al., 2022; Firdiana & Fikriyah, 2021). Research has shown that individuals who view their faith as an integral part of their identity are more inclined to opt for Islamic banking products and services (Mardiana et al., 2021; Sujianto et al., 2023). However, the extent to which religious beliefs influence attitudes may vary among individuals. Additionally, the belief in potential rewards in the hereafter for ethical financial behavior can further contribute to a positive attitude toward Islamic banking.

Awareness and knowledge of Islamic banking principles and practices stand as pivotal factors influencing the attitudes of university students. The extent of students' familiarity and comprehension concerning Islamic banking principles and practices serves as a determining factor in shaping their attitudes (Afriani & Asandimitra, 2020; Iryani & Kristanto, 2022). When students possess a comprehensive understanding of how Islamic banks operate and adhere to Shariah principles, they tend to form more favorable attitudes. Conversely, a lack of awareness or misinformation can lead to negative attitudes or apathy. Initiatives encompassing education and awareness campaigns that spotlight the advantages of Islamic banking, such as risk-sharing, ethical investments, and equitable wealth distribution, can contribute to a well-informed and positive perspective among students (Mardiana et al., 2021; Zamakhsyari et al., 2022). Research has consistently shown that when students have access to information and a clearer understanding of the workings of Islamic banks, they are more likely to develop positive attitudes (Mardiana et al., 2021). Therefore, educational efforts and the dissemination of information, both within and beyond university campuses, prove instrumental in promoting favorable perceptions of Islamic banks.

Furthermore, socioeconomic factors, encompassing income levels, family backgrounds, and the influence of peers, significantly mold attitudes toward Islamic banks (Afriani & Asandimitra, 2020; Purnomo et al., 2021). Students hailing from families with a history of engagement with Islamic banking or those with higher incomes may lean towards more positive views of Islamic banks due to familiarity or the perceived alignment of these banks with their socioeconomic status. Peer interactions and discussions within university environments also exert an impact on attitudes; students who engage with peers interested in or supportive of Islamic banking may tend to develop more positive attitudes as a result.

Previous research has uncovered inconsistencies that serve as the empirical foundation for the significance of this research. Various prior studies have indicated that religiosity is a key determinant of individuals' interest in saving in Islamic banks (Mardiana et al., 2021; Sodik et al., 2022; Sulistyawati et al., 2022). In addition to religiosity, financial literacy has recently gained recognition as a critical determinant of interest in saving in Islamic banks (Afriani & Asandimitra,

2020; Firdiana & Fikriyah, 2021; Wahyuni & Rohayati, 2022), although conflicting findings have emerged, suggesting that financial literacy may not significantly impact interest in saving at Islamic banks (Purnomo et al., 2021). Moreover, empirical discrepancies exist regarding the influence of factors such as customer knowledge, gender, age, education, and income on the decision to save at Islamic banks in Surabaya (Afriani & Asandimitra, 2020). This contrasts with other research findings that highlight the substantial role of knowledge in shaping individuals' interest in saving at Bank Syariah Indonesia (Fariani et al., 2021; Sodik et al., 2022).

Notably, research on how individuals respond to the presence of Islamic banks has been comparatively limited compared to studies concerning the intention to deposit at Islamic banks. Moreover, understanding the primary determinants of attitudes toward Islamic banks among university students holds paramount importance for both academic research and the industry, echoing insights from prior studies (Mansour, 2019). Factors such as religious beliefs, trustworthiness, awareness, and social influences are proposed to play a pivotal role in shaping these attitudes. A comprehensive exploration of these determinants can offer valuable insights for universities, financial institutions, and policymakers striving to promote Islamic banking among the younger generation.

METHOD

Research design

This study employed a quantitative method with a cross-sectional research design, which involved the observation of phenomena in the field at a specific point in time. The study population comprised students at an Islamic University in Malang City, and accidental sampling was used for data collection in April 2023. Data was gathered through an online research questionnaire, with 100 students participating and providing comprehensive responses.

The collected data underwent several stages of statistical analysis. Initial steps included validity and reliability testing. Subsequently, confirmatory factor analysis was conducted to determine the factor weights of each indicator within the variables. Multiple regression analysis was then employed to identify the most significant variables in the context of the study.

Research constructs and indicators

This research utilizes primary data in the form of perceptual data collected from respondents. To gather this data, a research instrument in the form of a questionnaire was created. The questionnaire was designed to assess each construct under investigation in this study, encompassing (1) Awareness and knowledge, (2) Compliance with Sharia principles, (3) Collectivist/Individualist Attributes, and (4) Attitudes toward Islamic Banks. A comprehensive breakdown of each construct, including all three indicators for each, can be found in Table 1.

Table 1. Research constructs and indicators

| Constructs | Indicators | Sources |
|-------------------------|---|---|
| Awareness and knowledge | Understand Islamic financial mechanisms and contracts (Murabahah, Ijarah, Musyarakah) | (Afriani & Asandimitra, 2020; Iryani & Kristanto, 2022) |
| | Understand sharia financial contracts before making transactions | |
| | Understand how the Islamic banking system mechanism is implemented | |

| | | |
|--|--|---|
| Compliance with Sharia principles | Believe the concept of Sharia finance is the best in the banking industry | (Hadi & Muwazir, 2020; Nugraheni & Widayani, 2021; Rusydiana & Hasib, 2019) |
| | The existence of Islamic banks is a form of compliance with sharia principles | |
| | Belief about no significant difference between Islamic and conventional banks | |
| Collectivist/ Individualist Attributes | Choose an Islamic bank that not be influenced by others | (Hadi & Muwazir, 2020; Kaakeh et al., 2019) |
| | Most likely deal with an Islamic bank that is recommended by a family member or friend | |
| | Choosing an Islamic bank takes into account the opinions of the community | |
| Attitudes towards Islamic Banks | Feel that choosing Islamic banking is a wise idea | (Bananuka et al., 2019, 2020; Kaakeh et al., 2019) |
| | Feel that choosing Islamic banking is a good idea | |
| | Feel that choosing Islamic banking provides good benefits | |

Source: Developed for this study (2023)

Hypothesis development

The theoretical foundation for this research is derived from the Theory of Planned Behavior (Ajzen, 1991) and its extension to the consumer behavior perspective (Bashir et al., 2019). While previous empirical studies have explored how interest or intention to save at Islamic banks is shaped for consumers (Kaakeh et al., 2019; Nugraheni & Widayani, 2021), it's noteworthy that this theory serves as the basis for understanding attitudes toward the presence of Islamic banks, rather than capturing savings intentions, as has been the focus of numerous prior studies.

Incorporating the Theory of Planned Behavior (Bashir et al., 2019), this research underscores the central role of the cognitive dimension in shaping individuals' attitudes. It establishes a foundational framework by identifying three critical variables that influence attitudes toward the presence of Islamic banks. The deductive approach employed in this study aligns with the quantitative methodologies utilized to address the research questions. By selecting students from an Islamic university as the primary unit of analysis and considering the contextual elements of the university environment with its deep-rooted adherence to Islamic principles, this research aims to acquaint students with universally accepted Sharia values.

The elements of awareness and knowledge assume paramount importance in shaping attitudes toward Islamic banks. They serve as catalysts for providing information, fostering trust, highlighting benefits, aligning with personal values, and dispelling misconceptions. As individuals become more informed about Islamic banking, they are more likely to view it positively and consider it a viable financial option. In terms of awareness and knowledge, heightened awareness and knowledge among students regarding Sharia-compliant practices (Ismulyaty & Pratiwi, 2023) correlate with their attitudes toward Islamic banks. Awareness and knowledge furnish individuals with the necessary information to comprehend the principles and operations of Islamic banks (Iryani & Kristanto, 2022; Zamakhsyari et al., 2022). When individuals are well-informed about the ethical and Sharia-compliant nature of these banks, they are more likely to hold a positive attitude toward them. Greater awareness and knowledge about Islamic banking principles can consequently lead to heightened trust in these institutions. As

individuals gain a clearer understanding of how Islamic banks operate and their commitment to ethical finance, their trust and overall attitude toward these institutions tend to be more favorable (Az-Zahra et al., 2022; Firdiana & Fikriyah, 2021).

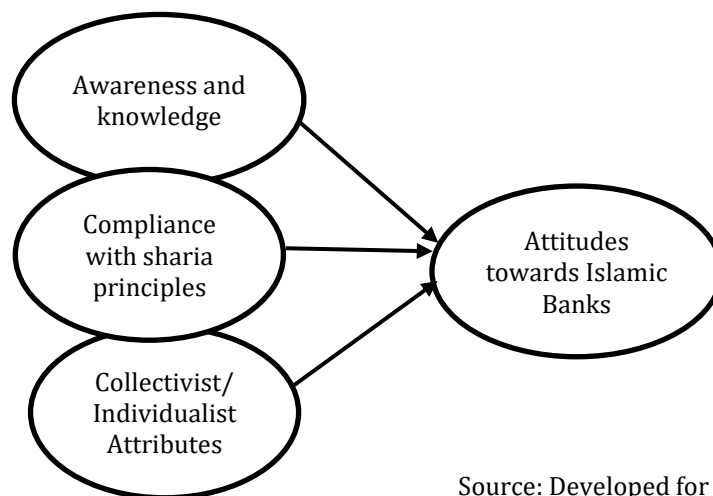
H1: Increased awareness and knowledge among students concerning sharia compliance are positively associated with enhanced attitudes toward Islamic banks

Students who possess knowledge of Sharia principles are better equipped to comprehend and appreciate the distinctive financial products and services provided by Islamic banks. This comprehension can result in a more positive perception of Islamic banks, as students come to recognize the advantages of financial transactions devoid of *riba* (usury) and in alignment with Islamic ethics. When students themselves adhere to Sharia principles, their perceptions of Islamic banks are further enhanced by the alignment in values, improved comprehension of Islamic banking practices, and the cultivation of trust and confidence in these institutions. These elements collectively contribute to a more favorable view of Islamic banks among students who prioritize Sharia compliance.

H2: Enhanced adherence to Sharia principles among students is positively associated with improved attitudes toward Islamic banks

H3: An increase in collectivistic or individualistic traits can lead to more positive attitudes toward Islamic banks

Figure 1. Conceptual framework



Source: Developed for this study (2023)

RESULT AND DISCUSSION

Descriptive statistics and validity test

From the participants in the research sample, we have gathered information about their characteristics. Out of the 100 respondents, 32 individuals, equivalent to 32 percent, were male students, while the majority, constituting 68 individuals or 68 percent, were female students. The predominant category within the research sample was undergraduate students, accounting for 75 individuals, or 75 percent of the respondents. The remaining 22 individuals (22 percent) were enrolled in master's programs, and 3 individuals (3 percent) were pursuing doctoral degrees. In terms of age distribution, the largest group of respondents, numbering 42 individuals (42 percent), fell into the 21 to 29 years age group. Another 39 individuals (39 percent) were

students below 21 years old. Notably, 11 individuals (11 percent) were aged over 40 years old, while the remaining 8 individuals (8 percent) fell into the 30 to 39 years age range. The average age of respondents was determined to be 20 years old, indicating a relatively young profile of respondents.

In this research, correlation analysis is employed to evaluate the significance of the indicator coefficient values concerning the observed variables. This analysis serves to validate the internal consistency of the collected research data. All indicators have met the validity criteria ($r > 0.300$), displaying correlation coefficient values ranging from 0.583 to 0.907. Furthermore, the reliability of the research instruments was assessed using Cronbach's alpha values, which ranged from 0.783 to 0.917. These values affirm that all instruments employed in this study meet the reliability criteria. It's worth noting that all alpha (α) values in Table 2 surpass 0.6, confirming the good reliability of all observed variables.

Table 2. Mean value, correlation coefficient, factor weights, and Cronbach's alpha

| Construct / Indicator | Mean | r | Loading Factor |
|--|-------|------|----------------|
| Awareness and Knowledge ($\alpha = .917$) | 3.970 | | |
| Understand Islamic financial mechanisms and contracts (Murabahah, Ijarah, Musyarakah) | 4.00 | .756 | .882 |
| Understand sharia financial contracts before making transactions | 3.95 | .897 | .960 |
| Understand how the Islamic banking system mechanism is implemented | 3.96 | .855 | .939 |
| Compliance with Sharia principles ($\alpha = .866$) | 4.110 | | |
| Believe the concept of Sharia finance is the best in the banking industry | 4.25 | .598 | .794 |
| The existence of Islamic banks is a form of compliance with sharia principles | 3.99 | .907 | .966 |
| Belief about no significant difference between Islamic and conventional banks | 4.09 | .754 | .899 |
| Collectivist / Individualist Attributes ($\alpha = .907$) | 4.083 | | |
| Choose an Islamic bank that not be influenced by others | 4.18 | .859 | .945 |
| Most likely deal with an Islamic bank that is recommended by a family member or friend | 4.12 | .877 | .953 |
| Choosing an Islamic bank takes into account the opinions of the community | 3.95 | .715 | .860 |
| Attitudes towards Islamic Banks ($\alpha = .783$) | 3.957 | | |
| Feel that choosing Islamic banking is a wise idea | 3.98 | .692 | .878 |
| Feel that choosing Islamic banking is a good idea | 4.04 | .606 | .822 |
| Feel that choosing Islamic banking provides good benefits | 3.85 | .583 | .810 |

Source: Data analysis (2023)

Descriptive statistics were conducted to report the average scores, as well as validity and reliability tests for each construct, including Awareness and Knowledge (X1), Compliance with Sharia Principles (X2), Collectivist or Individualist Attributes (X3), and Attitudes Towards Islamic Banks (Y1). Table 2 provides the results of the data analysis, offering mean values and correlation coefficients for each indicator within the observed variables. The highest mean value corresponds to the Compliance with Sharia Principles variable (mean = 4.110), while the lowest mean value relates to the Attitudes Towards Islamic Banks variable (mean = 3.957).

Within the Awareness and Knowledge (X1) construct, the highest mean indicator value was observed for the 'Understanding Islamic Financial Mechanisms and Contracts (Murabahah,

Ijarah, Musyarakah)' indicator, with a score of 4.00. Meanwhile, the lowest indicator score is associated with 'Understanding Sharia Financial Contracts Before Conducting Transactions,' scoring 3.95. The most substantial impact, as indicated by the highest factor weight, was attributed to the 'Understanding Sharia Financial Contracts Before Conducting Transactions' indicator, with a weight of 0.960.

In terms of Compliance with Sharia Principles (X2), the highest mean indicator value was recorded at 4.25 for the 'Belief in the Concept of Sharia Finance as the Best in the Banking Industry' indicator, while the lowest mean indicator value was found for 'Existence of Islamic banks as a Form of Compliance with Sharia Principles,' at 3.99. The most influential indicator within this construct was 'Existence of Islamic banks as a Form of Compliance with Sharia Principles' ($\delta = 0.966$).

For Collectivist or Individualist Attributes (X3), the highest mean indicator value, 4.18, was observed for the 'Choosing an Islamic bank Not Influenced by Others' indicator, while the lowest mean value pertained to 'Choosing an Islamic Bank Based on Community Opinions,' with a score of 3.95. The indicator 'Most Likely to Deal with an Islamic Bank Recommended by a Family Member or Friend' held the highest factor weight ($\delta = 0.953$).

Lastly, concerning Attitudes Towards Islamic Banks (Y1), the highest mean indicator value, 4.04, was found for the 'Feeling That Choosing Islamic Banking Is a Good Idea' indicator. In contrast, the lowest mean value pertained to 'Believing That Choosing Islamic Banking Provides Significant Benefits,' registering at 3.85. The most influential indicator within this construct was 'Feeling That Choosing Islamic Banking Is a Wise Idea' ($\delta = 0.878$).

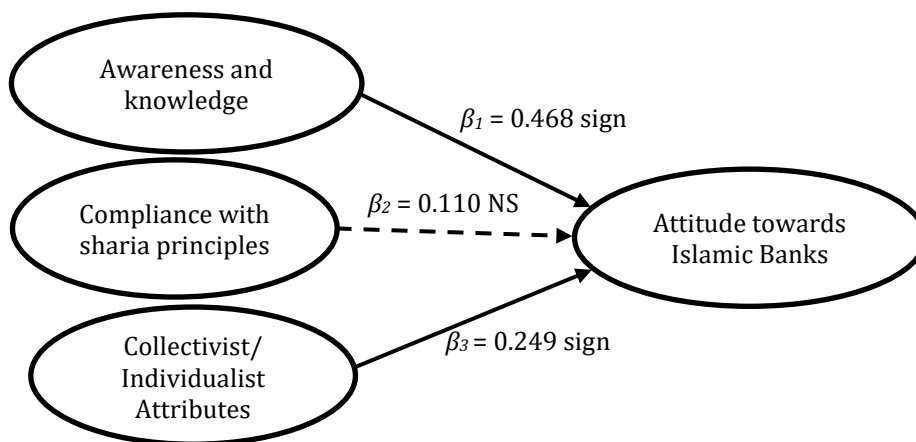
Hypothesis testing

Table 3. Beta coefficient for relationships between variables

| Relationship | Standardized Beta | t-statistic | p | Remark |
|--|-------------------|-------------|------|-----------------|
| Awareness and knowledge → Attitude towards Islamic Banks | .486 | 4.316 | .000 | Significant |
| Compliance with Sharia principles → Attitudes towards Islamic Banks | .110 | .919 | .361 | Not significant |
| Collectivist/ Individualist Attributes → Attitudes towards Islamic Banks | .249 | 2.057 | .042 | Significant |

Source: Data analysis (2023)

Figure 2. Path coefficient



Source: Processed data (2023)

Table 3 and Figure 2 present the results of the model analysis, which includes standard parameter estimates for the model. The research findings indicate that Awareness and Knowledge ($\beta_1 = 0.486$, $p > 0.05$) are significant factors influencing attitudes toward Islamic Banks. Therefore, hypothesis 1 is accepted. However, compliance with Sharia principles ($\beta_2 = 0.110$, $p > 0.05$) does not have a significant effect on attitudes toward Islamic banks. In this case, hypothesis 2 is rejected. On the other hand, collectivist or individualist attributes ($\beta_3 = 0.249$, $p < 0.05$) significantly affect attitudes toward Islamic banks. These results lead to the acceptance of hypothesis 3.

The R-square value of the model is calculated at 0.637, signifying that the model can elucidate attitudes toward Islamic Banks with an explanatory variance of 63.70 percent. This value falls within the moderate range, categorizing the model as possessing a medium level of explanatory power. The remaining 26.30 percent accounts for other factors lying outside the scope of the three explanatory variables incorporated in the research model.

Discussion

In general, respondents in this research evaluated the observed variables favorably, indicating a high level of awareness and knowledge about Islamic Banking, compliance with Sharia principles, collectivist or individualist attributes, and attitudes toward Islamic Banks. The outcome, in the form of attitudes toward Islamic Banks, was well-received by respondents, with the primary indication being that choosing an Islamic Bank was considered a wise decision, particularly among student respondents.

The research results revealed that among the three determinants of attitudes toward Islamic Banks, compliance with Sharia principles received the highest rating from students' perception at the Islamic University in Malang City. The profile of respondents, who are specifically enrolled in Islamic universities, is believed to play a significant role in this regard. The manifestation of compliance with Sharia principles is the belief that Sharia-compliant banks align with their commitment to Sharia principles as Muslims.

Furthermore, collectivist or individualist attributes received high ratings from respondents, with the belief that the selection of an Islamic bank would not be influenced by external parties or individuals. Meanwhile, collectivist or individualist attributes are most evident when respondents are likely to choose an Islamic bank recommended by a family member or friend. The three indicators for collectivist or individualist attributes displayed relatively consistent values, indicating a balanced perspective among respondents.

Awareness, knowledge, and attitudes toward Islamic banks

Awareness and knowledge, primarily reflected in the understanding of Sharia financial contracts before engaging in transactions, were found to increase attitudes toward Islamic Banks. The aspect of awareness and knowledge about Islamic Banking was found to be of high value, especially when reflected in an understanding of financial mechanisms and Sharia contracts. Moreover, awareness and knowledge about Islamic Banking are most apparent when respondents demonstrate an understanding of Sharia financial contracts before conducting transactions with other parties. This finding underscores the importance of comprehending the concept of Islamic finance, as emphasized in previous research (Az-Zahra et al., 2022; Firdiana & Fikriyah, 2021), in shaping positive attitudes and interest in Islamic banking.

The level of awareness and knowledge that a person possesses corresponds to the objective norms they hold. A higher level of awareness and knowledge encourages a more positive attitude toward Islamic Banks. These findings align with previous research that underscores the pivotal role of knowledge in fostering positive attitudes and interest in saving with Islamic banks (Iryani & Kristanto, 2022; Sodik et al., 2022; Sujianto et al., 2023). This supports the findings of a

previous study (Afriani & Asandimitra, 2020) that emphasized the importance of awareness in managing finances following Sharia principles.

Compliance with Sharia principles and attitudes toward Islamic banks

Compliance with Sharia principles in this research is primarily exemplified by the presence of Islamic banks, which represents adherence to Sharia principles, and has been found to have no significant effect on attitudes toward Islamic banks. This research uncovers that respondents generally exhibit a high degree of compliance with Sharia principles. This outcome deviates from prior empirical results (Janah et al., 2020; Junaidi et al., 2023), which indicated that religious beliefs and values play a pivotal role in shaping individuals' attitudes toward Islamic banks. Muslims who prioritize compliance with Islamic or Sharia principles typically exhibit more favorable attitudes toward Islamic banks. Muslim students are potential consumers who can be encouraged to be aware of Islamic financial services, such as Islamic banks, as they are already familiar with the prohibition of usury (Nugraheni & Widyani, 2021).

From the perspective of society, especially Islamic bank service users, Sharia compliance constitutes the core of the integrity and credibility of Islamic banks. People who adhere to Sharia principles tend to perceive Islamic banks as financial institutions that are more trustworthy and reliable (Bananuka et al., 2019). They may believe that Islamic banks uphold higher levels of integrity in conducting their operations following Sharia principles. However, based on the findings of this research, it is understood that users' compliance with Sharia principles alone may not necessarily foster a positive attitude towards Islamic banks. What can indeed influence this attitude is the compliance of the bank itself, particularly in the banking practices that must align with Sharia norms and principles (Miah & Suzuki, 2020; Rusydiana & Hasib, 2019).

Collectivist or individualist attributes and attitudes toward Islamic banks

Respondents' preferences for Islamic banks were influenced by collectivist and individualist factors, as reflected in their inclination to choose an Islamic bank recommended by a family member or friend (Nugraheni & Widyani, 2021). Collectivist tendencies, which involve relying on references from family, friends, and colleagues when evaluating Islamic banks, play a significant role in shaping attitudes toward Islamic banking.

Attitudes toward Islamic banking are influenced by various factors, including collectivist and individualist attributes. In communities that prioritize Sharia principles, local support can also impact attitudes. When an Islamic bank is well-regarded in the community, individuals are more likely to support it. Both collective and individualistic attributes were found to significantly influence positive attitudes toward Islamic banking, particularly the inclination to transact with banks recommended by family or close acquaintances. This aligns with earlier research highlighting the role of sociocultural and economic factors in fostering positive attitudes toward Islamic banks (Afriani & Asandimitra, 2020; Purnomo et al., 2021).

CONCLUSION

The outcomes of this study underscore the importance of considering the local context in comprehending individual attitudes towards Islamic banks. Based on the findings, it was revealed that awareness and knowledge have the most significant effect on attitudes towards Islamic banking, as well as collectivist or individualist attributes, which can profoundly impact the cultivation of positive attitudes towards Islamic banking. It was observed that attitudes towards Islamic banking remained unaffected by compliance with Sharia principles. These findings highlight the pivotal role of education and the elevation of awareness concerning Islamic banking services in promoting positive attitudes. Furthermore, respondents with a collectivist orientation, who prioritize social values and norms in their decision-making processes, tend to

harbor more favorable attitudes toward Islamic banks. This underscores the intricate manner in which psychological factors influence perspectives regarding Islamic banking.

While Sharia principles generally hold relevance for Muslims, other factors such as culture, social environment, and personal experiences may exert a greater impact. Another research implication is the necessity for adopting distinct approaches to understanding customer preferences in specific regions. Additionally, it calls for further research to delve deeper into the factors that mold attitudes toward Islamic banks within a given region. Furthermore, these findings carry essential implications for Islamic banks operating in the region. Sharia-compliant banks in Malang City may need to devise marketing strategies that emphasize factors beyond Sharia compliance to engage with potential customers more effectively.

Therefore, this research highlights the importance of improving people's positive feelings about Islamic banking. Considering people's characteristics, such as whether they are more collectivist or individualistic, is crucial. In practical terms, better education and campaigns about Islamic banking principles and values could change views on these services. Future research should examine how Islamic banking affects people's attitudes. This could include looking at different aspects of knowledge, like understanding the products and services offered by Islamic banks. It is essential to compare various situations to gain a deeper understanding of what influences people's views on Islamic banking. Besides internal factors like knowledge and values, external factors are identified, such as how banks promote their services and the impact of social campaigns.

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